

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
Washington, D.C. 20210

REPORT ON STATE LEGISLATION

REPORT NO. 3
October 2016

ARIZONA	HB 2222 (CH 185)	ENACTED and EFFECTIVE May 11, 2016, or as otherwise indicated
----------------	---------------------	--

Appeals

Repeals the following language: a party dissatisfied with the decision of the appeals board may file a request for review within 30 days from the date of the decision, which shall be a written or electronic request and memorandum stating the reasons why the appeals board's decision is in error and containing appropriate citations of the record, rules and other authority. On motion, and for good cause, the appeals board may extend the time for filing a request for review. The timely filing of such a request for review is a prerequisite to any further appeal. The appeals board shall notify all parties of the filing of a request for review and shall allow 15 days from the date of the notice for any party to respond. Thereafter, the appeals board shall issue a decision on review affirming, modifying or reversing its decision, or ordering the taking of additional testimony. All parties shall be given written notice by mail of the decision on review.

Provides that, by eliminating the above mentioned review step, a party dissatisfied with the decision of the appeals board is entitled to judicial review and may file an application for appeal to the court of appeals with the clerk of the appeals board with 30 days after the date of mailing or electronic transmission of the decision, except decisions concerning tax liability, collection, or enforcement may be appealed to the tax court.

Changes the number of members on the appeals board from four to three. Provides that, if a decision is issued by at least two concurring members (previously, three members) of the appeals board, and the appeals board is not unanimous, the decision of the majority will control. The minority may file a dissent from the decision, setting forth the reasons for the dissent.

Financing

Provides that the payment of contributions is not required if the quarterly amount of the contribution or taxes is less than \$10.

Repeals from December 31, 2016, section 23-765 of the Arizona Statutes which provides that, if at any time before the computation date shared work benefits are paid under the shared work plan of an employer or its predecessor, the employer's contribution rate for the ensuing calendar years shall be increased by adding to that rate: (1) one percent if the employer's negative reserve

ratio is at least 5 percent but less than 15 percent; or (2) 2 percent if the employer's negative reserve ratio is 15 percent or more.

Nonmonetary Eligibility

Changes the work search requirement to one job contact per day on four separate days. (Previously, three work search contacts during the week.)

DELAWARE	HB 160	ENACTED and EFFECTIVE June 28, 2016
	(CH 282)	

Overpayments

Provides that, with regard to recoupment of fraud or nonfraud overpayments of benefits from claimants, and assessments, penalties, and interest as debt to the unemployment compensation fund from employers, the Department may (in addition to other means of collection) collect overpayments, interest, penalties, and other liabilities due as provided in section 545, Title 30 of the Delaware Code; section 5402 of the Federal Internal Revenue Code (26 U.S.C. section 5402); section 503(m) [sic] of the Social Security Act (42 U.S.C. section 503(m)); and any other means available under federal or state law.

Provides that, with regards to repayment of benefits, whoever received, by reason of a nondisclosure or misrepresentation by a person or by another of a material fact (irrespective of whether such nondisclosure or misrepresentation was known or fraudulent, any sum as benefits will be liable for a sum equal to the amount so received, and (in addition to other means of collection) will be liable to have such sum collected by the Department as provided in section 545, Title 30 of the Delaware Code; section 5402 of the Federal Internal Revenue Code (26 U.S.C. section 5402); and section 503(m) [sic] of the Social Security Act (42 U.S.C. section 503(m)).

GEORGIA	HB 904	ENACTED April 27, 2016
	(Act No. 474)	EFFECTIVE July 1, 2016

Administration

Adds section 34-8-130 to the Employment Security Law that provides:

(a) To enforce the provisions of this article and to prevent fraud and abuse of the Unemployment Trust Fund, the Commissioner, Department of Labor or his or her duly authorized representative may submit to the state revenue commissioner the names and social security numbers of any individuals who are required to report earnings to the department along with the amount of earnings such individuals have reported to the Department during specified time periods. The state revenue commissioner shall compare the submitted earnings of such individuals with income reported by such individuals to the Department of Revenue and shall verify and report back to the department that the submitted earnings of each such individual are either equal to, greater than, or less than the amount of income reported by each such individual to the Department of Revenue. Furthermore, the department may submit to the state revenue

commissioner the name of any employer along with the number of employees who are being reported to the department by such employer during specified time periods. The state revenue commissioner shall compare such records submitted by employers to the department with the number of employees reported by each such employer to the Department of Revenue and shall verify and report back to the department that the number of employees reported to the department is either equal to, greater than, or less than the number of employees reported to the Department of Revenue for state income tax withholding purposes for the specified time period. The department shall pay the state revenue commissioner for all costs incurred by the Department of Revenue pursuant to this subsection. No report contemplated by this subsection shall be provided by the Department of Revenue to the department without a cooperative data sharing agreement executed by the two departments that is specific to the subject matter of this subsection. Any tax information secured from the federal government by the Department of Revenue pursuant to the provisions of Section 6103 of the Internal Revenue Code shall not be disclosed by the Department of Revenue pursuant to this subsection. Any person receiving any tax information under the authority of this subsection shall be subject to the provisions of Code Section 48-7-60 and to all penalties provided under Code Section 48-7-61 for unlawful divulging of confidential tax information, as well as the penalties provided under Code Section 34-8-125.

(b) Nothing in this Code section shall prevent the Department of Revenue or any other governmental agency from having access to records or information as provided for under Code Section 34-8-125.

Financing

Increases the contribution rate from 2.62 percent to 2.64 percent for new or newly covered employers for periods on or after January 1, 2017 but on or before December 31, 2022, and to 2.70 percent for periods after December 31, 2022.

Provides that, for the periods on or after January 1, 2000, but on or before December 31, 2022 (previously, 2016), variations from the standard rate of contributions remain the same. The contribution rate for employers with positive reserve accounts range from 2.110 percent to 0.025 percent, and the contribution rate for employers with deficit reserve accounts range from 2.15 percent to 5.40 percent.

Provides that, for the periods prior to April 1, 1987, or after December 31, 2022 (previously, 2016), variations from the standard rate of contributions remain the same. The contribution rate for employers with positive reserve accounts range from 2.16 percent to 0.04 percent, and the contribution rate for employers with deficit reserve accounts range from 2.2 percent to 5.40 percent.

Decreases for the periods on or after January 1, 2017, but on or before December 31, 2022, the quarterly administrative assessment from 0.08 percent to 0.06 percent to be assessed upon all wages as defined in Code Section 34-8-49, except the wages of:

(1) Those employers who have elected to make payments in lieu of contributions as provided by Code Section 34-8-158 or who are liable for the payment of contributions as provided in said Code section; or

(2) Those employers who, by application of the State-wide Reserve Ratio as provided in Code Section 34-8-156, have been assigned the minimum positive reserve rate or the maximum deficit reserve rate.

Provides that, for the periods on or after January 1, 2017, but on or before December 31, 2022, in addition to the rate paid under Code Section 34-8-151, each new or newly covered employer shall pay an administrative assessment of 0.06 percent (previously 0.08 percent) of wages payable by it with respect to employment during each calendar year until it is eligible for a rate calculation based on experience, except as provided in Code Section 34-8-158.

Extends the repeal date of the administrative assessment from December 31, 2016, to January 1, 2023.

IOWA

SB 2313
(CH 1118)

ENACTED and EFFECTIVE May 27, 2016

Financing

Authorizes the state Department of Workforce Development to join a consortium with the states of Idaho and Vermont to modify the Idaho unemployment benefit payment software system so that it can be used to pay unemployment insurance benefits by the state of Iowa.

Appropriates out of funds made available to the state of Iowa under section 903 of the Social Security Act, as amended, the sum of \$1,076,000, or so much thereof as may be necessary, to be used under the direction of the Department of Workforce Development, for the purpose of modifying the Idaho unemployment insurance benefit payment software system so that it can be used to pay unemployment insurance benefits by the state of Iowa and for the acquisition of programming, software, and equipment required to provide an administrative and payment system for the Iowa unemployment insurance program.

Provides that the funds appropriated will not be obligated after May 27, 2018.

Provides that the amount obligated will not exceed at any time the amount by which the aggregate of the amounts transferred to the account of this state in the unemployment trust fund pursuant to section 903 of the Social Security Act, as amended, exceeds the aggregate of the amounts obligated for administration and paid out for unemployment insurance benefits and required by law to be charged against the amounts transferred to the account of this state in the unemployment trust fund.

Permits \$4,875,000, or so much thereof as may be necessary, of incentive payment funds credited with respect to the Assistance for Unemployed Workers and Struggling Families Act, Pub. L. No. 111-5, Division B, Title II, section 2003, as codified in 42 U.S.C. section 1103, as a special transfer made under section 903(g) of the Social Security Act, to be used under the direction of the Department of Workforce Development to modify the Idaho unemployment

insurance benefit payment system so that it can be used to pay unemployment insurance benefits by the state of Iowa and for the acquisition of programming, software, and equipment required to provide an administrative and payment system for the Iowa unemployment insurance program.

Provides that the funds appropriated will not be obligated after May 27, 2018.

Overpayments

Provides that, notwithstanding section 96.3, subsection 7, and section 96.3, subsection 10, paragraph “d,” the Department of Workforce Development will not pursue the recovery of any overpayments of unemployment insurance benefits made to individuals caused by a telephone system malfunction on March 8, 2014.

Authorizes the Department of Workforce Development to make a one-time transfer of \$528,379.68, or so much thereof as may be necessary, from moneys transferred to the state on March 13, 2002, pursuant to section 903(d) of the Social Security Act, to be deposited in the unemployment compensation fund for the payment of unemployment insurance benefits.

Provides that the funds authorized will not be obligated after May 27, 2018.

LOUISIANA

HB 1142
(Act No. 463)

ENACTED and EFFECTIVE June 9, 2016

Financing

Provides that benefits paid to a spouse who resigned to relocate with an active-duty military service person who received an order of permanent change of station will not be charged against the experience rating of an employer from whom an employee leaves to relocate; however, benefits paid will be recouped as a social charge to all employers.

Nonmonetary Eligibility

Provides that no individual who is otherwise eligible for benefits will be disqualified for benefits if: (1) he is the spouse of an active-duty military service person; (2) his spouse receives an order of permanent change of station; and (3) he has resigned his employment to relocate with his spouse pursuant to an order of permanent change of station.

MARYLAND

SB 86
(CH 339)

ENACTED May 10, 2016
EFFECTIVE July 1, 2016

Nonmonetary Eligibility

Repeals the provision that an individual may not be denied unemployment benefits for failure to actively seek work if the individual is at least 60 years old and has been furloughed temporarily and is subject to recall. (Applies only to initial and reopened unemployment insurance claims filed on or after July 3, 2016.)

MARYLAND

**SB 679
(CH 185)**

**ENACTED May 19, 2016
EFFECTIVE October 1, 2016**

Coverage

Provides that work is not covered employment when performed by a holder of a limited license to provide nail technician services who leases or otherwise agrees to the use of a chair, booth, or space from a holder of a barbershop permit, a beauty salon permit, or an owner-manager permit who operates a barbershop or beauty salon if:

- the holder of a limited license to provide nail technician services and the permit holder have entered into a written lease or other written agreement that is in effect;
- the holder of a limited license to provide nail technician services:
 - pays a stipulated amount or commission for use of the chair, booth, or space;
 - is not required to make any further accounting of income to the permit holder;
 - and has access to the premises at all hours and may set personal work hours and prices; and
- the lease or other written agreement expressly states that the holder of a limited license to provide nail technician services knows:
 - of the responsibility to pay state and federal income taxes and make contributions to Social Security for self-employment; and
 - that the work is not covered employment.

MARYLAND

**SB 777
(CH 697)**

**ENACTED May 28, 2016
EFFECTIVE July 1, 2016**

Coverage

Redefines the term “messenger service business” by deleting that the term “messenger service business” means a business that does not have an exclusive contractual delivery arrangement with an individual or a commercial establishment.

Provides that work that a messenger service driver performs for a person who is engaged in the messenger service business is not covered employment if, among other things, compensation is by commission only, which may include any of the following:

1. a schedule of compensation that is calculated from a percentage of revenue or some other measure of revenue that the driver generates for the messenger service business;
2. a fixed amount of compensation for the completion of a specific delivery job; and
3. a guaranteed minimum amount of compensation for the driver remaining available to provide delivery service. (Construed to apply retroactively and shall be applied to and interpreted to affect all determinations of: (1) rates of contributions for employing units for all calendar years beginning on or after January 1, 2013; and (2) benefit charges for

unemployment insurance claims for benefits based on work performed on or after January 1, 2013.)

MICHIGAN

SB 603
(P.A. 228)

ENACTED June 22, 2016
EFFECTIVE October 1, 2016

Financing

Requires a person recording a lien or a discharge of a lien to pay to the register of deeds a recording fee that is equivalent to the fee for entering and recording a mortgage as authorized under section 2567 of the revised Judicature Act of 1961, 1961 Public Act 236, Michigan Compiled Law 600.2567. (Previously, such person was required to pay a fee of \$2.00 for recording a lien and a fee of \$2.00 for recording a discharge of a lien.)

Provides that, if the state unemployment agency does not record the discharge of lien with the register of deeds and seek reimbursement for that recording fee, the unemployment agency shall provide the discharge of lien document and a notice of lien recording fee to the debtor, who will then be responsible for recording the discharge and paying the applicable amounts required under section 2567 of the revised judicature act of 1961, 1961 Public Act 236, Michigan Compiled Law 600.2567. The notice of lien recording fee must state the amount of the recording fee the unemployment agency paid for recording the lien that is the subject of the discharge and may include any other relevant information.

Provides that, in addition to any other remedy provided under Act 228, the unemployment agency may seek to recover unemployment compensation debt as provided by 26 U.S.C. 6402(f), 42 U.S.C. 503(m), or other applicable federal law. The debtor is liable for any fee the federal government imposes with respect to implementing the deduction from a federal tax refund.

RHODE ISLAND

HB 7933
(P.L. 209)

SB 2850
(P.L. 207)

ENACTED and EFFECTIVE June 29, 2016

Nonmonetary Eligibility

Provides that, notwithstanding any other provision to the contrary, individuals with a definite return-to-work date that is within 12 weeks of their last day of physical work, as certified by their employer on the employer separation notice, will be exempt from the work search requirements.